



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

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801-355-0922 (Fax)
<http://www.trustlands.com>

Michael O. Leavitt
Governor

Kevin S. Carter
Director

5/001/063 0002

RECEIVED

JAN 31 2003

DIV. OF OIL, GAS & MINING

January 29, 2003

Sandy Nell
13171 South 3300 West
Riverton, Utah 84065

Re: Notice of Intent to Commence Small Mining Operations, Sandywash Project, Mining Claims
File # ML 48705-MC, DOGM File # S/001/063, Beaver County, Utah

Dear Mr. Nell:

The School Trust Lands Administration is in receipt of a copy of your proposed Sandywash small mining operation, submitted on the Division of Oil and Gas Notice of Intent form. As administrators of the subject lands the Trust Lands Administration requires a more detailed proposal before approval to commence with the small mine operation can be granted. Enclosed is a copy of the information required by the Trust Lands Administration when submitting a proposal. Please respond to each item of the requested information. If a request for information is not applicable please indicate so. For example your present notice does not adequately address each item under section 4 of the required information nor does it adequately address the mine methods and surface reclamation.

Your present plan suggests that no more than 5 acres will be disturbed. By administrative rule, R850-20-2800, the trust lands administration will require a reclamation bond of \$5,000.00 per acre of disturbed land. Bonds may be accepted in any of the following forms:

- a) Surety bond with an approved corporate surety registered in the state of Utah.
- b) Cash deposit.
- c) Certificate of deposit in the name of the School and Institutional Trust Lands Administration and Lessee, with three signatures required, two signatures will be those of the Trust Lands Administration and one of the Lessee's. Two signatures will be required to collect on the certificate of deposit. The certificate of deposit must be issued by an approved state or federally insured banking institution registered in Utah. The certificate must have a maturity date no greater than 12 months, be automatically renewable and be deposited with the Trust Lands Administration.

Utah!

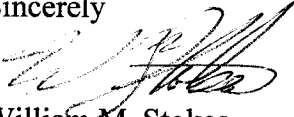
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As part of the approval process the Division of State History may also require a cultural resource survey of the affected lands. I have requested an opinion from the Trust Lands Administrations archaeological staff regarding the necessity for a cultural survey. Should a cultural survey be required the sole cost of the survey will be the responsibility of the entity proposing the mineral operation.

If you have any questions please feel free to contact me at the address or phone number shown on this letterhead.

Sincerely



William M. Stokes
Mineral Resource Specialist

Enclosures

cc: Tom Munson, DOGM
File